

Message Text

CONFIDENTIAL

PAGE 01 MOSCOW 03916 241400Z

ACTION EB-08

INFO OCT-01 EUR-12 ISO-00 CAB-02 CIAE-00 COME-00

DODE-00 DOTE-00 INR-07 NSAE-00 FAA-00 INRE-00

SS-15 SSO-00 PRS-01 L-03 USIE-00 /049 W

-----241422Z 076884 /43

O 241305Z MAR 77

FM AMEMBASSY MOSCOW

TO SECSTATE WASHDC IMMEDIATE 5457

C O N F I D E N T I A L MOSCOW 3916

E.O. 11652: GDS

TAGS:EAIR, US, US

SUBJECT: US-USSR CIVIL AVIATION TALKS

REF: US AND SOVIET CIVIL AVIATION PROPOSALS OF FEB 22

SUMMARY. FIRST DAY OF TALKS HAVE PRODUCED SOME AGREEMENT IN PRINCIPLE ON MAJOR ISSUES (IMBALANCE AND ADHERENCE TO 1966 BILATERAL), BUT THERE WAS LITTLE DISCUSSION OF DETAILS. THE SOVIETS SEEM TO HAVE TWO RELATED CONCERNS: (A) PAN AM WILL NOT OPERATE ITS FULLY AUTHORIZED FREQUENCIES AND THUS CAUSE AEROFLOT, UNDER US PROPOSAL, TO CARRY LESS TRAFFIC AND POSSIBLY LOSE FREQUENCIES AND (B) PAN AM WILL USE CHARTERS MORE EXTENSIVELY THAN IT WILL USE SCHEDULED SERVICES. END SUMMARY.

1. THE SOVIET DELEGATION, HEADED BY SAMORUKHOV, OPENED TALKS, MARCH 23, BY NOTING IT WAS THE SOVIET UNDERSTANDING THAT THE US DELEGATION WAS IN MOSCOW IN CONNECTION WITH SECRETARY VANCE'S FORTHCOMING TRIP, AND REQUESTING A RESPONSE TO THE SOVIET NOTE LINKING CONTINUED CHARTER FLIGHTS TO INCREASED FREQUENCIES. US DEL ACKNOWLEDGED CONNECTION WITH SECRETARY'S VISIT AND RESPONDED THAT SOVIET PROPOSAL LINKING INCREASED FREQUENCIES AND CHARTERS IS NOT ACCEPTABLE SINCE IT IS NOW TOO LATE TO CHANGE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 MOSCOW 03916 241400Z

OPERATIONAL PLANS FOR SUMMER 1977. INSTEAD, US DEL SAID IT HAS COME TO MOSCOW TO DISCUSS FUNDAMENTAL CIVIL AVIATION ISSUES AND THAT E UNDERSTAND THERE IS SOVIET INTEREST IN ADDRESSING THE FUNDAMENTAL PROBLEMS.

2. SAMURKHOV THEN ASKED FOR SPECIFIC COMMENTS ON SOVIET DRAFT TABLED FEBRUARY 22. US DEL REVIEWED PROBLEMS DETAILED

IN FEBRUARY (STATE 55623) AND NOTED THAT US PROPOSAL CONTAINS CONCEPTUAL "PLUSES" INCLUDING POTENTIAL TO EXPAND AIR SERVICES; RESOLUTION OF IMBALANCE ISSUE, LOGICAL CORRECTIVE FORMULA IN CASE ONE AIRLINE DOES NOT OPEATE ALL AUTHORIZED FREQUENCIES; AND A CHARTER UNDERSTANDING WITHOUT LIMITATIONS. SOVIETS REPLIED THAT THEY UNDERSTAND US POSITIONS ON IMBALANCE AND ASKED TO EXAMINE SPECIFICS IN FEB 22 US PROPOSAL PARTICULARLY GRADUAL IMPROVEMENT OF IMBALANCE CONTAINED IN PARA 8. US NOTED THAT IN CY 1976 AEROFLOT CARRIAGE EXCEEDED THAT OF PAN AM BY 164 PERCENT, THUS LANGUAGE IN PARA 8 OF US PROPOSAL MEANS EXCESS OF CARRIAGE BY AEROFLOT OVER PAN AM SHOULD BE REDUCED FROM 164 PERCENT IN 1976 TO FIVE PERCENT BY APRIL 1980. SOVIETS COMPLAINED THAT PRACTICAL IMPLEMENTATION WOULD BE DIFFICULT, THAT FORMULA WOULD SIGNIFICANTLY INCRASSED TRAFFIC CARRIED BY AEROFLOT, AND SUGGESTED MORE MODERATE INCREMENTS FOR BALANCING MECHANISM; I.E., FOR 1ST PERIOD ENDING APRIL 1978 EXCESS FOR AEROFLOT WOULD BE 120 PERCENT WITH FINAL FIGURE FOR 1980 OF 40 PERCENT. SOVIETS PRESSED FOR A GUARANTEE THAT PAN AM WOULD WORK HARD TO INCREASE ITS TRAFFIC IN ORDER THAT AEROFLOT WOULD NOT LOSE FREQUENCIES AND TRAFFIC; US SUGGESTED THAT USSR OFFER SPECIFIC PROPOSAL.

3. RESTRICTIONS - SOVIETS SAID THEY HAVE GENERALLY RESCINDED ALL TICKETING RESTRICTIONS AND NOTED MUTUAL ELIMINATION OF SUCH RESTRICTIONS WAS NOT INCLUDED IN US PROPOSAL. WE QUESTED WHETHER SOVIETS HAD FULLY LIFTED RESTRICTIONS AND SAID THAT IT WAS ESSENTIAL THAT ANY PACKAGE SETTLE-
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 MOSCOW 03916 241400Z

MENT PROVICDE THAT BOTH PARTIES AGREE THAT ARTICLE 14 OF BILATERAL AGREEMENT INCLUDES OBLIGATION OF EACH AIRLINE TO ACT AS AGENT FOR OTHER AIRLINE FOR INDIRECT AS WELL AS DIRECT ROUTES TICKET SALES.

4. CHARTERS - US DEL SAID IT CANNOT AGREE TO LIMITATION ON CHARTERS THAT RELATES THE NUMBER OF CHARTERS TO SCHEDULED SERVICES AND LANGUAGE WHICH WOULD VOID AGREEMENT ON SCHEDULED SERVICES. WE ALSO EXPLAINED THAT US FAVORED FREEDOM TO USE WIDE-BODIED AIRCRAFT FOR CHARTERS AS WELL AS SCHEDULED SERVICES. SOVIETS MENTIONED THAT IMBALANCE HAS PARTICALLY DISAPPEARED IF CHARTER FLIGHTS ARE CONSIDERED WITH SCHEDULED SERVICES AND AGRUED THAT INCREASE IN CHARTERS RESULTS IN DECREASE IN SCHEDULED TRAFFIC. US DEL RESPONDED THAT IT IS NOT CORRECT TO ASSUME THAT CERTAIN PEOPLE WHO FLEW CHARTERS WOULD HAVE FLOWN SCHEDULED SERVICES IN THE ABSENCE OF CHARTERS, AND THAT WHILE THERE IS SOME RELATION BETWEEN THE TWO TYPES OF SERVICES, TO MIX THEM TOGETHER IS NOT THE ANSWER.

5. AFTERNOON SESSION - SOVIET DEL FORWARDED FOLLOWING
DRAFT "TO GRADUALLY IMPROVE IMBALANCE SITUATION AND TO
EXPAND SERVICES": BEGING TEXT-

THE VOLUME OF REGULAR TRAFFIC CARRIED BY THE AIRLINE
OF ONE CONTRACTING PARTY SHALL NOT EXCEED THE VOLUME OF
REGULAR TRAFFIC CARRIED BY THE OTHER AIRLINE BY MORE THAN
120 PER CENT FOR THE YEAR 1977
90 PER CENT FOR THE YEAR 1978
60 PER CENT FOR THE YEAR 1979
40 PER CENT FOR THE YEAR 1980
PROVIDED THE AIRLINE HAVING THE LESSER SHARE IN THE TOTAL
AMOUNT OF TRAFFIC CARRIED WILL UNDERTAKE MEASURES TO
INCREASE THE CARRIAGE ON ITS SERVICES BY NOT LESS THAN
20 PERCENT BY THE YEAR 1978
35 PER CENT BY THE YEAR 1979
CONFIDENTIAL

CONFIDENTIAL

PAGE 04 MOSCOW 03916 241400Z

50 PER CENT BY THE YEAR 1980
AS COMPARED TO THE YEAR 1976. END TEXT.

6 US REPLIED THAT IT UNDERSTOOD SOVIET ISSUE TO ENSURE
THAT AEROFLOT DOES NOT HAVE TO DECREASE ITS TRAFFIC BUT
SPECIFIC SOVIET FORMULATION COULD NOT BE ACCEPTED. ONE
PROBLEM WAS HOW US CAN COMMIT PAN AM TO INCREASE ITS
TRAFFIC IN 1977 SINCE OPERATIONAL PLAN FOR THAT PERIOD
WAS ALREADY FIXED. US NOTED PARA 8(C) OF THE PROPOSAL
CONTAINS A CORRECTIVE FORMULA IF ONE SIDE FAILS TO
OPERATE ALL OF ITS AUTHORIZED FREQUENCIES WHICH SEEMS
PREFERABLE THAN PARA 2(B) OF THE SOVIET PROPOSAL BUT
AGREED TO PUT DETAILS ASIDE SINCE THERE WAS AGREEMENT
CONCERNING THE NEED FOR SUCH A CORRECTIVE MECHANISM.
IN PRINCIPLE THE DELEGATIONS AGREED TO COMBINE PARA 2(C)
OF THE US PROPOSAL AND 8(C) OF THE SOVIET PROPOSAL,
WHILE IN PRINCIPLE THE SOVIETS AGREED TO SCRAP THEIR
PARA 3. SOVIETS ALSO AGREED TO CONSIDER USING US PARA 2(B)
IN PLACE OF THEIR PARA 2(B) AND PARA 3. RE PARA 4 OF
SOVIET PROPOSAL, US EXPLAINED THAT IT DOES NOT OBJECT TO
LOW AIR FARES, BUT THAT IS IMPOSSIBLE TO MAINTAIN A
SYSTEM OF SPECIAL FARES BETWEEN ANY TWO COUNTRIES AND
THAT THE CAB WOULD BE RELUCTANT TO APPROVE SUCH AN
ARRANGEMENT. SOVIETS AGREED TO PUT THIS MATTER ASIDE FOR
TIME BEING.

7 CHARTERS REMAINED A MAJOR PROBLEM WITH US INSISTING
THAT A MAJOR COMPROMISE HAS BEEN MADE IN 1973 WHEN
UNSIGNED, UNPUBLISHED UNDERSTANDING HAS BEEN RELUCTANTLY
ACCEPTED. SOVIETS ARE APPARENTLY CONCERNED THAT PAN AM
WILL USE CHARTERS AND NEGLECT SCHEDULED SERVICES. SOVIETS

ALSO STATED WILLINGNESS TO CONSIDER US LANGUAGE IN
ARTICAL II AND PARA 2 OF US DRAFT PROTOCOL IN PLACE OF
LANGUAGE RE PREFERENTIAL GROUND ACCOMMODATIONS IN PARA 7
OF THEIR PROPOSAL.

CONFIDENTIAL

CONFIDENTIAL

PAGE 05 MOSCOW 03916 241400Z

9. FINALLY SOVIET DEL VOICED CONCERN THAT US DRAFT
PROTOCOL DOES NOT REFER TO 1973 PROTOCOL. IT IS UNCLEAR
WHY SOVIETS OBJECT TO US FORMAT. US DEL HAS INDICATED THAT
WHILE FORM IS NOT SO IMPORTANT TO US, IMBALANCES, E.G.,
"EQUAL ADVANTAGES", CONTAINED IN US TEXT SEEMS USEFUL IN
ESTABLISHING CONTEXT OF THE TYPE OF ARRANGEMENT TOWARD
WHICH BOTH SIDES ARE WORKING.

10. PLEASE ADVISE PAN AM OF ABOVE.
TOON

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: AIR SCHEDULES, SUPPLEMENTAL AIRLINES
Control Number: n/a
Copy: SINGLE
Sent Date: 24-Mar-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977MOSCOW03916
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770101-0232
Format: TEL
From: MOSCOW
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770327/aaaaawsx.tel
Line Count: 191
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 229bf0b2-c288-dd11-92da-001cc4696bcc
Office: ACTION EB
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 16-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3009811
Secure: OPEN
Status: NATIVE
Subject: US-USSR CIVIL AVIATION TALKS
TAGS: EAIR, US, UR, PANAM, AEROFLOT
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/229bf0b2-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009